

**IN THE CLAIMS:**

Please cancel claims 1-48 without prejudice and add the following new claims.

Claims 1-20. (Canceled).

21. (Canceled) An apparatus for use in a wellbore, comprising:  
a tubular having a preformed bypass at an upper end thereof for circulating a fluid; and  
a preformed gripping surface connected to an outside surface of the upper end of the tubular, the gripping surface disposed circumferentially adjacent the preformed bypass.
22. (Canceled) The apparatus of claim 21, further comprising a sealing band disposed around the outside surface of the upper end.
23. (Canceled) The apparatus of claim 21, wherein the gripping surface comprises teeth.
24. (Canceled) The apparatus of claim 21, wherein the gripping surface comprises grit.
25. (Canceled) The apparatus of claim 21, wherein the gripping surface comprises a slip.
26. (Canceled) The apparatus of claim 21, wherein the upper end is tapered.
27. (Canceled) An apparatus for use in a wellbore, comprising:  
a tubular having a preformed bypass for circulating a fluid; and  
a tool having at least one radially extendable member.

23. (Canceled) The apparatus of claim 27, wherein the at least one radially extendable member of the tool is disposed adjacent the preformed bypass.

29. (Canceled) The apparatus of claim 27, wherein the tool is fluid pressure actuated by pressurized fluid delivered in a tubular string.

30. (Canceled) The apparatus of claim 27, further comprising a shearable connection between the tubular and the tool.

31. (Canceled) The apparatus of claim 27, further comprising an expander capable of expanding a longitudinal section of the tubular.

32. (Canceled) The apparatus of claim 27, further comprising a gripping surface disposed on an outside surface of the upper end of the tubular, the gripping surface disposed circumferentially adjacent the preformed bypass.

33. (Canceled) A method of setting a liner in a wellbore, comprising:  
placing a tubular in the wellbore, the tubular having a gripping surface connected to an outside surface of the tubular at a first location and a preformed bypass for circulating a fluid disposed at a second location;  
expanding the tubular at the first location into substantial contact with an inner diameter of the wellbore; and  
circulating the fluid into the wellbore.

34. (Canceled) The method of claim 33, further comprising expanding the entire circumference of at least a portion of the tubular into substantial contact with the inner diameter of the wellbore.

35. (Canceled) The method of claim 33, further comprising:  
reforming the tubular; and

expanding the entire circumference of at least a portion of the tubular into substantial contact with the inner diameter of the wellbore.

36. (Canceled) The method of claim 33, wherein circulating the fluid into the wellbore comprises circulating cement into the wellbore through a run-in string and allowing returns to pass through the bypass.

37. (Canceled) A method of setting a tubular in a wellbore, comprising:

placing the tubular in the wellbore, the tubular having a preformed bypass at an upper end thereof for circulating a fluid;

placing a tool having at least one radially extendable member in the wellbore;

expanding a portion of the tubular to selectively place portions of the tubular circumferentially adjacent the preformed bypass into frictional contact with a surrounding surface; and

circulating the fluid into the wellbore.

38. (Canceled) The method of claim 37, further comprising expanding the entire circumference of at least a portion of the tubular into substantial contact with the surrounding surface using the tool.

39. (Canceled) The method of claim 37, further comprising:  
reforming the tubular; and  
expanding the entire circumference of at least a portion of the tubular into  
substantial contact with the surrounding surface using the tool.

40. (Canceled) The method of claim 37, wherein circulating the fluid into the wellbore comprises circulating cement into the wellbore through a run-in string and allowing returns to pass through the bypass.

41 (Canceled) An apparatus for use in a wellbore, comprising:

a tubular having a preformed bypass at an upper end thereof for circulating a fluid, wherein the upper end is tapered to a smaller maximum outer diameter than a maximum outer diameter of a lower end of the tubular; and

a gripping surface disposed on an outside surface of the upper end of the tubular, the gripping surface disposed circumferentially adjacent the preformed bypass.

42. (Canceled) The apparatus of claim 21, wherein the gripping surface is at least partially embedded in a wall of the tubular.

43. (Canceled) The apparatus of claim 21, wherein the gripping surface is integral with a wall of the tubular.

44. (Canceled) The apparatus of claim 32, wherein the gripping surface is at least partially embedded in a wall of the tubular.

45. (Canceled) The method of claim 33, wherein the gripping surface remains connected to the outside surface of the tubular at the first location after expanding the tubular at the first location into substantial contact with the wellbore.

46. (Canceled) The method of claim 45, wherein the gripping surface is at least partially embedded within a wall of the tubular.

47. (Canceled) The method of claim 37, wherein the portions of the tubular circumferentially adjacent the preformed bypass comprise gripping surfaces thereon, the gripping surfaces fixedly connected to the portions of the tubular at a location.

48. (Canceled) The method of claim 47, wherein the gripping surfaces are at the location prior to placing the tubular in the wellbore and after expanding the portion of the tubular.

Please add the following new claims:

49. (New) A method of setting a tubular in a wellbore, comprising:
- placing the tubular in the wellbore, the tubular having a preformed bypass at an upper end thereof for circulating a fluid;
  - placing a tool having at least one radially extendable member in the wellbore;
  - expanding a portion of the tubular to selectively place portions of the tubular circumferentially adjacent the preformed bypass into frictional contact with a surrounding surface;
  - circulating the fluid into the wellbore; and
  - expanding the entire circumference of at least a portion of the tubular into substantial contact with the surrounding surface using the tool.
50. (New) A method of setting a tubular in a wellbore, comprising:
- placing the tubular in the wellbore, the tubular having a preformed bypass at an upper end thereof for circulating a fluid;
  - placing a tool having at least one radially extendable member in the wellbore;
  - expanding a portion of the tubular to selectively place portions of the tubular circumferentially adjacent the preformed bypass into frictional contact with a surrounding surface;
  - circulating the fluid into the wellbore;
  - reforming the tubular; and
  - expanding the entire circumference of at least a portion of the tubular into substantial contact with the surrounding surface using the tool.
51. (New) A method of setting a tubular in a wellbore, comprising:
- placing the tubular in the wellbore, the tubular having a preformed bypass at an upper end thereof for circulating a fluid;
  - placing a tool having at least one radially extendable member in the wellbore;
  - expanding a portion of the tubular to selectively place portions of the tubular circumferentially adjacent the preformed bypass into frictional contact with a surrounding surface; and

circulating the fluid into the wellbore, wherein the portions of the tubular circumferentially adjacent the preformed bypass comprise gripping surfaces thereon, the gripping surfaces fixedly connected to the portions of the tubular at a location.

52. (New) The method of claim 51, wherein the gripping surfaces are at the location prior to placing the tubular in the wellbore and after expanding the portion of the tubular.